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During the past year, industrial output in Czechoslovakia increased 16 percent as compared to 1949, in Bulgaria 23.3 percent, in Poland 25 percent, in Albania 34 percent, in Rumania 38 percent, and in Hungary 39 percent. The past year was noteworthy for an increase in cultivated areas, in fertility, and also in the development of animal husbandry.

Commercial ties between the USSR and the People's Democracies are constantly growing stronger. The volume of trade of the People's Democracies during 1948, as compared to 1947, was increased as follows: Rumania, 170 percent; Poland, 83 percent; Bulgaria, 61 percent; Hungary, 57 percent; and Czechoslovakia, 39 percent.

The People's Democracies now represent more than 65 percent of the volume of USSR foreign trade. The USSR exports industrial products, primarily manufacturing and industrial equipment, which play a decisive part in the rapid industrialization of Poland, Bulgaria, Rumania, and the other People's Democracies.

The trade between the People's Democracies is also growing each year. Rumanian exports and imports in 1949, as compared to 1948, increased in the following manner for each country (in percentages): exports to Bulgaria 39 percent, imports 204 percent; exports to Hungary 283 percent, imports 536 percent; exports to Poland 165 percent, imports 142 percent; exports to Czechoslovakia 148 percent, imports 146 percent.

Czechoslovak foreign trade increased in 1949, as compared to 1947, as follows: with the USSR, 564 percent; Poland, 533 percent; Rumania, 619 percent; Hungary, 223 percent; Bulgaria, 125 percent. Whereas in 1948, the USSR and the People's Democracies contributed about 30 percent of the Czechoslovak foreign trade, they contributed 50 percent in 1950.

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The constant production rise in all economic branches of the People's Democracies, on the basis of socialist planning, made it possible for them to conclude long-term commercial agreements with the USSR. Poland was first among the People's Democracies to conclude a trade agreement with the USSR. According to this agreement, the volume of trade during 1951 - 1958 will be 60 percent greater than during 1948 - 1950. A trade agreement for a period of 5 years (1951 - 1955) was concluded with Czechoslovakia on 3 November 1950. The volume of trade according to this agreement will be 50 percent greater than during 1948 - 1950.

The USSR released long-term credits to the European People's Democracies and to the People's Republic of China. These countries used much of the credit loaned by the USSR to purchase from the USSR complete metallurgical, chemical, and machine-building plants and combines; agricultural machinery and food-processing plants; steam and hydroelectric power plants; equipment for the mining industry, the petroleum industry, hydraulic engineering, irrigation projects, radio stations, transportation, the motion picture industry, medical schools, and veterinary schools; as well as the latest printing presses.

At present, vast projects are under construction in a number of countries. In Poland, the Nowa Huta Metallurgical Combine, when completed, will double Poland's metallurgical output; a chemical combine and automobile factories are also being built. In Hungary, the Danube metallurgical combine (Now the Stalin Metallurgical Works) is being equipped. Many electric power plants and factories for the petroleum, paper, textile, food, and construction industries are being built in Albania.

Polish exports to the USSR consist of coal, railroad rolling stock, non-ferrous metals, textile products, sugar, and other commodities. Czechoslovakia supplies the USSR with many light-industry products. Hungary also supplies many articles produced by heavy and light industry, as well as certain types of raw materials.

A significant form of economic collaboration between the USSR and the People's Democracies is found in the joint associations, which now exist in a number of countries and in which the USSR and the respective country participate on an equal footing. This is a new type of economic collaboration. Joint associations of this sort are to be found in Bulgaria, Hungary, and Rumania. Practical experience demonstrates that they play an important role in the People's Democracies by re-equipping their economies with the latest mechanical appliances and in popularizing Soviet labor methods.

An important part in the development of economic collaboration and exchange of technical experience between the People's Democracies and the USSR is attributed to the industrial expositions held annually in these countries.

As a result of the development and strengthening of economic ties between the USSR and the People's Democracies, it was necessary to create a separate organ, which would handle the resources of these countries, with the object of utilizing them fully and in the best interests of the socialist camp. Such an organ was created in January 1949, in the form of a CEMA (Council for Economic Mutual Assistance), participated in by the USSR, Albania, Bulgaria, Poland, Rumania, Hungary, Czechoslovakia, and the German Democratic Republic.

In the declaration announcing the founding of the CEMA it was stated that the council was created "for the exchange of economic experience, for supplying mutual technical assistance, for mutual assistance in raw materials, supplies, machinery, equipment, etc."

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The most important function of the CEMA is to extend methods of economic collaboration in a manner which would be most useful to the rapid planned economic development of the People's Democracies. The most typical characteristic of the CEMA is that all of its decisions are taken only with the assent of the interested parties.

The principles of the CEMA are diametrically opposite to those of the imperialistic "Marshall Plan." The CEMA envisages permanent economic collaboration and mutual assistance, based on full sovereignty, national equality, and regard for the mutual interests of the participants.

With the socialist sector of industry in the People's Democracies amounting to more than 98 percent and with the socialist sector of agriculture growing from day to day, the economic collaboration between the countries of the socialist camp will continue to expand and strengthen the welfare of all countries concerned.

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